



Paycheck Protection Program

What Does the Paycheck Protection Program in the new CARES Stimulus Bill Mean for your Small Business?

About the PPP Loans

The loans are federally-guaranteed, through the SBA and the Treasury. The loan may be **FORGIVABLE!** What does that mean? It means that it acts more like a **GRANT** when spent on covered expenses you maintain pre-crisis employment and salary levels, or re-hire quickly. **Loan payments have the potential to be deferred up to 10 months after the end of the borrower's loan forgiveness covered period.**

How much could each business receive?

Loans can be for up to two months of your average monthly payroll costs from the last year plus an additional 25% of that amount, up to \$10 million.

What Expenses Are Eligible for Forgiveness and considered part of the Monthly Operating Costs?

Eligible expenses incurred to during the covered period include:

- Payroll costs, including benefits
- Payment of interest on mortgage obligations incurred before February 15, 2020
- Rent, under lease agreements in force before February 15, 2020
- Utilities, for which service began before February 15, 2020

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Employee Payroll: What's included? What's excluded?

INCLUDED:

- Employee Salary, wages and commissions, including tips and benefits
- Payment of vacation
- Parental, family, medical or sick leave
- Allowance for dismissal or separation
- State and local tax assessed on employee compensation
- Payments for provisions of group health care benefits

EXCLUDED:

- Payroll costs exclude compensation of an individual person in excess of \$100,000 annualized, compensation to those whose principal residence is outside the US, and certain qualified sick and family leaves.

Who's Eligible for the Loan?

Self Employed, Sole Proprietorships, Independent Contractors, Veteran's Organizations, Businesses or 501(c)(3) with *less than 500 employees* are eligible for the loan. This includes full-time and part-time employees, with special waivers for groups in the accommodation and food services industry and franchises.

What are the Key Stipulations for Loan Forgiveness?

The loan amounts will be forgiven as long as: The loan proceeds are used to cover payroll costs, and most mortgage interest, rent, and utility costs over the **24 week period** after the loan is made; and employee headcount and compensation levels are maintained.

At least 60% of the forgiven amount must have been used on payroll.

How Can I Apply?

Midwest BankCentre is an SBA lender with a Small Business Administrative Specialist on staff who has over 20 years of experience. Applications can be found at **MidwestBankCentre.com/ppploan**.

We encourage you to apply as quickly as you can because there is a funding cap.

TERMS & CONDITIONS

Subject to ongoing guidance from the SBA and as of 6/7/2020

What is my interest rate?

1.0% fixed rate.

When do I need to start paying interest on my loan?

Payments may be deferred for up to 10 months after the covered period ends to apply for loan forgiveness, but will depend on the individual situation.

When is my loan due?

The loan has a 5 year maturity date. Principal and interest payments start after the end of the deferral period.

Can I pay my loan earlier?

Yes. There are no prepayment penalties or fees.

Do I need to pledge any collateral for these loans?

No. No collateral is required.

Do I need to personally guarantee this loan?

No. There is no personal guarantee requirement.

Want to learn more?

Call (314) 631-5500 or visit MidwestBankCentre.com/ppploan. The entire Midwest BankCentre team, including our Small Business Administration specialist, is ready to provide game-changing assistance for small business owners. When we **DREAM BIG**, we all **RISE TOGETHER**.

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